Christian Louboutin Bullet Shaped Lipstick

Chloe Barker Katie Kruisselbrink Madison Kuczynski









Chloe Barker Katie Kruisselbrink Madison Kuczynski

The Cosmetics Industry

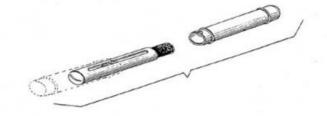
- The cosmetics industry is worth over \$500 billion
- The lipstick market alone is valued at \$13.1 billion
- Since the first lipstick tube was in 1917, lipstick components have developed into complex designs

W. G. KENDALL.
LIP STICK HOLDER.
APPLICATION FILED JAN. 25, 1917.

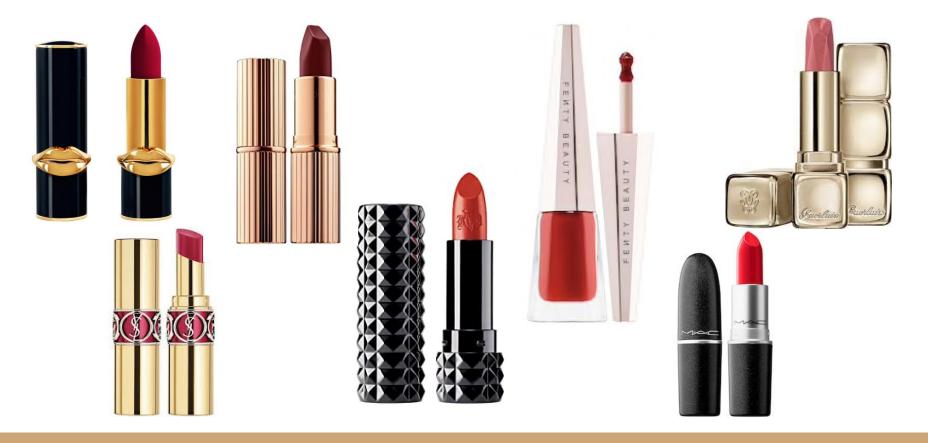
1,236,846.

Patented Aug. 14, 1917.





The Cosmetics Industry



Christian Louboutin's Brand Recognition

- Received fame from red-bottom shoes
- Universally recognized as a luxury brand
- Easily identifiable for shoes and related products
- Currently sells 700,000 pair of shoes a year
- Subject to counterfeit issues due to the company's notoriety



Christian Louboutin's Brand Recognition

- Celebrity recognition
- Collaborations with Disney
- Featured in Movies







Louboutin's Expansion into the Cosmetics Market

"Christian Louboutin is all about red, Parisian extravagance and playful irreverence"

- Brand wanted to empower women
- Red-bottoms inspired by assistant putting on red nail 1
- Famous "Rouge" color was later translated into nail polish
- Container inspired by the shoe's stiletto point





Louboutin Launches Unique Lipsticks

- Inspired by Queen Nefertiti and the Art Deco movement
- 38 shades and 3 textures
- \$90 price tag
- Bullet-shaped design with an embellished crown cap, topped with a ring

"All a woman wants is a pair of Louboutin and red lips"

CHRISTIAN LOUBOUTIN



Louboutin Launches Unique Lipsticks

- Container meant to catch the eye and can be worn as a necklace
- Formula includes standard ingredients such as wax, oil, and pigment depending on the color of the lipstick
- Most known for its red shade
- Licensing agreement with Puig under the Louboutin brand for licensing, development and distribution.
- Louboutin retains the IP rights





Louboutin's Presence in the Cosmetics Industry

- The cosmetics industry has flourished into one of the most successful markets
- These high-end brands can predict success based on their popularity of related products
 - Ex: Christian Louboutin, Chanel, Yves Saint Laurent, Dior
- Louboutin's design of their products, similarly shaped to their stiletto heels, distinguishes the brand among competitors



Process of Protection

- In the cosmetics industry, competition has significantly increased
- The traditional presentation has escalated into works of art
- The use of colors, dramatic shapes, formulation and packaging has complicated the protections of intellectual property
- For these reasons, the necessity for intellectual property protection makes protection a forefront in a company's business strategy

Planning for Protection - General Strategy

The cosmetics industry is protected by a variety of intellectual property rights:

Patents, design patents or industrial design, trademarks, copyright, and unfair competition or passing off

PATENT OF AUTHORSHIP

O INTELLECTUAL INVENTORS

Steps

- File for protection in all desirable countries
- File for protection in countries where counterfeits may be an issue
- Account for countries that allow for automatic protection without registration

LICENSING PROTECTION

- Identify parts of the design that may not be protected or have received prior protection via other companies

(Lack of) Patent Protection in Cosmetics Industry

Patents seem to be one of the least used types of IP protection

- Must disclose the various steps in product creation
- Identify the parts of the products to be protected
- Disclosure includes the specific ingredients and compounds in the product



For these reasons, companies may be deterred from patent protection at the risk of exposing insecure elements.

Louboutin's Distinguishing Product Aspects

- Distinguishable packaging
- Various shades available
- Easily identifiable shape
- More than one lipstick design including different casings, embellishments, and colors
- Small loop at the top allowing the item wearable as a necklace



Countries Analyzed for This Project

This project specifically identifies protection in:

- The United States
- The European Union
- China







These countries are currently amongst the largest and most relevant markets in terms of sale volumes for Christian Louboutin.

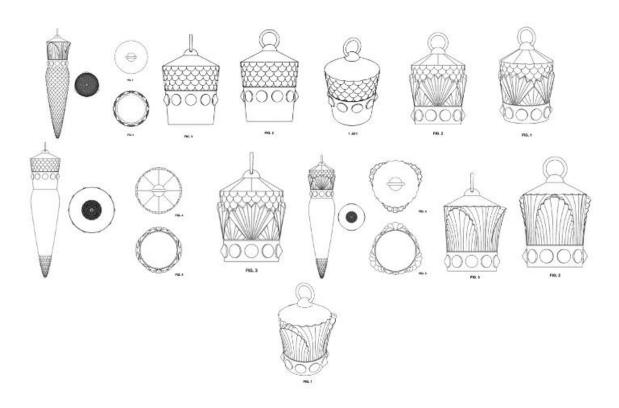
Christian Louboutin and the lipstick are also protected in other countries that are not specifically analyzed here, such as Canada, Malaysia, etc.

United States - Design Patents

- Appearance and design must be new and unique
- Christian Louboutin has 3 lipstick design patents
 - For the containers and packaging
 - Includes the pointed bottom and crown shaped top
- The company does not have protection of the lipstick's use as a necklace
 - Questions whether this right or a similar design is owned by another company



United States - Design Patents



United States - Trademarks

Christian Louboutin has 3 registered logo trademarks for Class 3.

CHRISTIAN LOUBOUTIN

2010

hristian



2017

United States - Trademarks

Louboutin TM protection includes:

- Lipsticks
- Lip-glosses
- Perfume
- Nail polish
- Eye makeup
- Skincare

No specific TM registration for:

- Bidimensional or 3-D shape of the container or crown-shaped cap

















United States - Unregistered Trademarks & Trade Dress

US provides protection against unfair competition practices

- Section 43(a) of the Lanham Act protects the unregistered trade dress and marks of the lipstick
 - They are distinctive of Louboutin's products
 - The marks have acquired secondary meaning
 - The mark itself and famous Rouge color show the item is famous and protected beyond the likelihood of confusion



Christian Louboutin has no registered copyrights in the US



But, copyright protection attaches regardless of registration:

- Protects original works of authorship and creative designs
- The lipstick design is protected as a pictorial, graphic, and sculptural work
- The copyright protections lasts for the life of the author +70 years
- Creator nationality or domicile does not change this protection

Limitations:

- Features must be separately identified from and exist independently of a useful article
 - Bullet-shape
 - Studded Crown Cap
 - Wearable as a necklace

- Material that is in the public domain, or owned by an individual/entity cannot receive protection, but in the latter case, authorization is necessary



Exceptions for a useful article from Star Athletica Test:

- 1. The design can be perceived as a 2 or 3 dimensional work of art separate from the useful article
- 2. The design would qualify as a protectable pictorial, graphical, or sculptural work either on its own or in some other medium if imagined separately from the useful article



Star Athletica v. Varsity Brands



Louboutin's Copyright Protection:

- Louboutin lipstick packaging may receive copyright protection as a sculptural work
- Use as a necklace is also protected under both Star Athletica tests

Louboutin's Additional Protection from Silvertop Associates:

- Although the lipstick may include elements that may in and of themselves not be protectable alone, the design, as a whole, is separable and eligible for protection





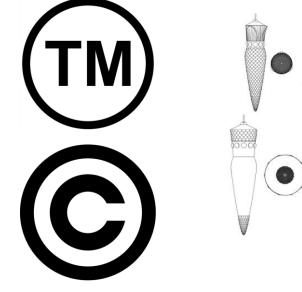
Silvertop Associates v. Kangaroo Manufacturing

United States - Overall Protection

Christian Louboutin lipstick protection:

- Design Patents
- Trademarks
- Unregistered trademark protection
- Copyright

Overlap of protection



- Overlap allows the company to enforce the separate rights at the same time, depending on the infringed elements in a given case.

European Union - Industrial Design

Christian Louboutin does not have designs registered in the EU

Community Design Protection



- Simplified process to acquire unitary ID protection
- Applies to the appearance of a product resulting from attributes
 - Shape, colors, and materials
- Exclusive rights to the design for up to 25 years
- Unregistered designs receive protection from deliberate copying under certain circumstances

European Union - Industrial Design

Unregistered Community Designs

- Unregistered designs are protected from deliberate copying
- Unregistered community design protection only lasts for 3 years
 - The lipstick no longer qualifies for the 3-year protection



European Union - Industrial Design

Although the lipstick design no longer qualifies for protection as an Unregistered Community Design, the design will still receive protection under copyright law

- This is an example of an overlap in IP rights between ID and copyright



European Union - Trademarks

Trademarks:

Christian Louboutin has numerous trademarks applicable to their cosmetics and other

related designs

Graphic representation	Trade mark name	Designated territory	Application date	Trade mark status	Trade mark office	Application number	Trade mark type
Sign	Mesosonasi	1.V. U.J. LT, GB, HR, 90. HU, BS, FR, BE, DE, OK, FL, IE, CZ, A.	06/57/2012	Registered	BUPO-EU.	011022696	Figurative
Som	RITHDONE	UA, RU, OH, IL, ES, AZ, UZ, KZ, MC, NO	03/01/2013	Registeres	WPO WP.	1163101	Figurative
*	CHRISTIAN SCHOOLS	LV, U.L. LT, GB, HFL, RO, HJ, RG, FR, BE, DE, DK, FL, IE, CZ, A	23/12/1998	Registered	euro-eu	001026905	Word
	CHRISTIAN ROCKESTIAN	US RULCH, SG, VN. AU, MC, CN, TR, NO	18/03/2010	Reporter	WPO-WP.	1036883	Word
<u> </u>	Christian Controller	(V. U.L. LT, GB, HFL, 80, H-J, BG, FR, BL, DE, DK, R, IE, CZ, A.,	12/05/2010	logures	(UPORIL	000098815	Tigurative
Sign	Character and Ch	P, US, KR, SG, VN, AU, KZ, TR, NO, UA, CH, RU, MC, CN	12/05/2010	Popularies	WPG-WP.	1041223	Figurative

European Union - Unfair Competition

Aside from Louboutin's registered marks, the specific shapes of the

lipstick are protected as unregistered marks.

Unfair Competition laws prevent other companies from:

- Unfair business practices
- Limiting innovation
- Restricting competition
- Using bargaining power to limit suppliers or customers from doing business with competitors
- Giving misleading information



European Union - Unfair Competition

Trade Dress:

- The lipstick also receives trade dress protection of the overall appearance including size, shape, color, texture and graphics as a whole by combining TM & ID rights
- Protection of the shape of goods or the packaging goods is permanent to distinguish goods among competitors



European Union - Copyrights

No copyright registration required

Must be original

- 1. The lipstick must imply the existence of an original object, such as reflecting the personality of the author, manifesting free and creative choices rather than confined by technical formalities, rules or other restraints
- 2. The lipstick's qualification as a work is reserved for the elements which are an expression of the creation -- The lipstick must be identified with sufficient precision and objectivity.

European Union - Copyrights

Louboutin's copyright protection of the lipstick:

- Originality: design of bullet-shape, studded crown, and ring on top allowing use as a necklace
- Expression: the lipstick is a clear expression of the original design

Because of these elements, the lipstick has copyright protection despite no clear registration.





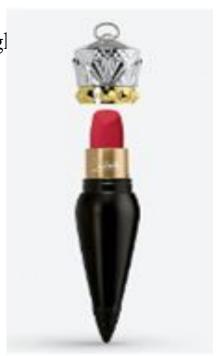
European Union - Overall Protection

Overlap of protection:

- Christian Louboutin's lipstick is simultaneously protected through design law, trademarks, copyright and unfair competition laws.
- Qualification for protection of one form can overlap with protection under another

Reasons for sufficient protection of the lipstick:

- Distinct characteristics
- Originality
- Creative uses



China - Design Patents

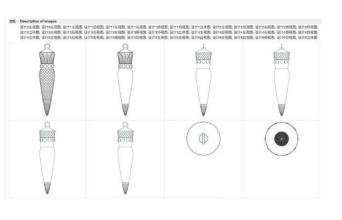
Christian Louboutin has 2 design patents protecting the body of the lipstick and the crown lid

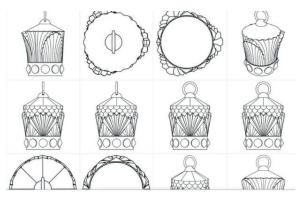
- This protection lasts for 10 years from the date of filing

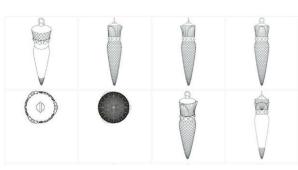
The design patents cover the overall shape and style of the lipstick packaging

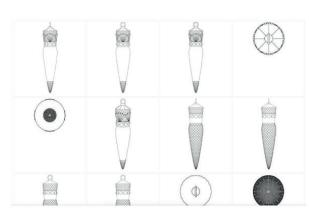
- The lipstick must comply with absolute novelty

China - Louboutin's Registered Design Patents







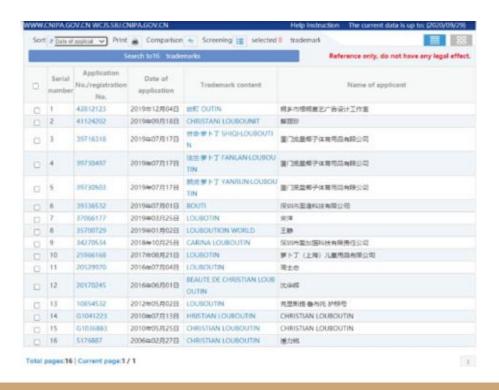


China - Trademarks

Christian Louboutin has several trademarks registered within the "class 3" cosmetics protections

- 4 of the trademarks cover Louboutin's cosmetics products, but not specifically the lipstick
- Main purpose is to protect the Louboutin name and overall brand

China - Louboutin's Registered Trademarks





China - Louboutin's Registered Trademarks





nark desails. III Tra	demark proces	ture			
CHRISTIAN LOUBOUT		化放用产业器、凝胶和洗料! Goods/services		制品、治效循和水 护肤化水用瘤、凝胶、洗剂和制品 品面度、汽车半夹压砂、后电、回有机的平线、音水、料流包 用料量、货车等、股票、银铁件、调车、四轮、超过着、新取	
41.040.040.0	Similar group 0301:0365;0306;				
Application No./registration No.	51036883	Date of application	2010/05/25	International Classification	3
Name of applicant(Chinese)	CHRISTIAN LOUBOUTIN				
applicant(English)	CHRISTIAN LOCUSOLITIN				
Applicant address(Chinese)	1 RUE VOLNEY,F-7500Z PARIS(FRANCE)				
Applicant address(English)	1 RUE VOLNEY,F-75002 PARIS(FRANCE)				
Public announcement number of first trial	Public announcement number of registration		Community marks	No	
Public announcement Date of first trial		Public announcement Date of registration		Type of trademark	-62
Exclusive right duration	2020/03/18 to 2030/03/16		Form of trademarks		
Registration	2010/03/18	Date of late formulation		Date of priority	
Agents name/receiving orgnization					
Trademark procedure	Click to view				
Trademark status		LIVE/REGIS	STRATION/Issued a	nd Active	
con		1919			

China - Unfair Competition

Anti-Unfair Competition Law



- Restricts unfair competition in advertising
- Used to supplement other laws when specific IP laws cannot fully protect the product
- Prevents operators from disrupting the market competition order or harming legitimate interests of businesses or consumers

The Anti-Unfair Competition Law protects the lipstick from unfair competition where IP laws cannot provide protection.

China - Overall Protection

China's new effort to strengthen the IP system and limit counterfeit production

- Three new IP courts in Beijing, Shanghai, and Guangzhou
- More punitive damages for counterfeiting & trade secret appropriation

These will affect the sale and commercialization of Louboutin's lipstick

- Reduce the company damages from counterfeit issues
- More enforcement against luxury counterfeits
- Greater protection for the name, brand, and products





Strategies in Marketing: Influencers, Advertising, and Social Media

Free Advertising

- Growth of social media has led to influx of "influencers"
 - Individuals, whether normal people or celebrities
- Advertising through influencers
 - Influencers with a large following have a reach that can span nationally and worldwide
 - The outfits they wear and the products they used are publicized to their followers



Influencers and Social Media

How do these influencers help advertise brands like Louboutin?

- Consumers idolize celebrities and influencers
 - These consumers and followers are motivated by the outfit and product choices of these individuals
 - this sort of "free advertising" has largely benefitted luxury brands like
 Louboutin by increasing exposure to the brand and making it widely desirable
 - Influencers are generally paid for their advertising services either monetarily or through the gifting of products
 - This form of advertising is significantly less expensive than general advertising and marketing options







Contracted Social Media Influencers

Many companies contract with celebrities and influencers to promote their products through social media

- When companies enter into agreements with influencers, it is important for the contract to be in writing and include strict contracting terms including:
 - Disclosure agreements
 - Original content agreements
 - Dates and compensation terms
 - Terms outlining promotions and giveaways



Advertising: Jennifer Lopez

- Jennifer Lopez is an internationally known singer and actress
- Released a song in 2009 specifically referencing Louboutin
 - free advertising tool for Louboutin
 - Organic endorsement
- Louboutin is known for staying away from soliciting social media endorsements
 - Because of this they are more elite
 - More opportunity to be endorsed by A-list celebrities and other elite individuals



Advertising: Sex & the City

- Most influential example of organic advertising
- Main character Carrie Bradshaw is devoted to Louboutin shoes
 - For years Bradshaw has served as a style icon to the millions of viewers of the show
 - Louboutin shoes pop up in countless episodes and are popular among fans who want to emulate the style and fashion choices seen in the show and movies

Louboutin's History of Enforcement

- With its rise in popularity as a luxury good, Louboutin has been fighting off counterfeiters and copycats for years
 - Usually it counterfeiters and copycats seek to emulate the iconic red sole
- Since breaking into the cosmetic industry with bold new designs, Louboutin has already begun to have IP enforcement issues

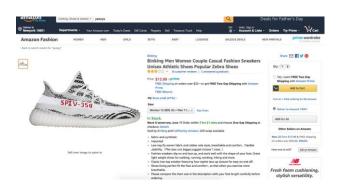
Enforcement: Louboutin v. YSL

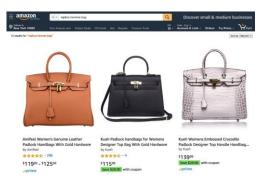
- Details leading to lawsuit:
 - YSL came out with an all red shoe that included a red sole
 - Louboutin is known for their red sole
 - Louboutin filed suit against YSL alleging:
 - Trademark infringement
 - Counterfeiting
- Court's Decision:
 - Court ruled that Louboutin cannot obtain a trademark for the entire shoe being red, but where the red sole contrasts with the color of the rest of the shoe, the trademark applies
 - Therefore a single color can sometimes serve as a trademark in the fashion industry where it has acquired secondary meaning



Enforcement: Amazon

- Louboutin has gone up against Amazon regarding counterfeiting
 - European Union Case
 - Court held that Amazon is liable if it sells and ships counterfeit shoes made by third parties







Enforcement: Moscow, Russia

- Lawsuit stemmed from Russian companies selling counterfeit Louboutin fragrances
 - Russian company argued that the perfume products were legally imported and that there was a lack of similarity between Louboutin's trademarks and the Russian companies' trademarks
 - The appellate court disagreed and upheld the lower court's decision to award Louboutin damages and injunctive relief









Enforcement: Guangzhou Wentan Trading Co., Ltd

- First counterfeiting issue regarding Louboutin's bullet-shaped lipstick
 - Louboutin filed suit in in the Guangzhou IP Court
 - Louboutin alleged that the Chinese manufacturer infringed its design patent-protected lipstick packaging by creating and selling lipstick products identical or similar to the designs of Louboutin
 - Court issued its first preliminary injunction since it was created in 2014 and ordered Guangzhou Wentan Trading
 Co. to immediately stop producing the lipsticks
 - Court held Louboutin's patent as valid and ruled that not issuing a preliminary injunction would cause greater damage to Louboutin than to the counterfeit Chinese manufacture

Example of a counterfeit bullet-shaped lipstick:

- The Cosmetics Industry
 - The cosmetics industry has flourished in the last 10 years
 - Luxury companies, like Christian Louboutin, are at an advantage when entering this market
 - Louboutin successfully entered the cosmetics industry beginning with nail polish, perfume and the bullet-shaped lipstick

- Bullet-Shaped Lipstick Intellectual Property Protection
 - **United States**: 3 design patents, 3 registered logo trademarks, unregistered trademark protection, and unregistered copyright protection of the design, shape and use.
 - **European Union**: Numerous trademarks applicable to the lipstick, trade dress protection of the size, shape, color, texture and graphics, and copyright protection
 - **China**: 2 design patents protecting the body, shape, and crown lid, several trademarks registered within the "class 3" cosmetics protection, strengthened protection against unfair competition and counterfeits

- Marketing and Advertisements
 - Strong shift to advertisements on social media via celebrities and influencers
 - These individuals are idolized by consumers, often providing brands with free advertising just by wearing the products
 - Important to have written contractual agreements with these individuals

- History of Enforcement
 - Luxury products are the most copied products worldwide
 - Louboutin has dealt with counterfeit and unfair competition suits for the lipsticks and related products
 - The court has generally favored Louboutin and ruled against intentional copying that is likely to cause consumer confusion

Thank You

